

# **FISCAL NOTE**

## **HB 2085**

February 8, 2002

### **SUMMARY OF BILL:**

- Amends the Tennessee Millennium Trust, which currently receives funds, received from the Tobacco Master Settlement Agreement.
- Requires for FY02-03 and thereafter that 25% of the funds received be placed in the Agricultural Reserve Account and 75% of the funds received be deposited in the Health Reserve Account.
- Specifies that revenue placed in each account would be appropriated annually by the Agricultural Fund Committee and the Health Fund Committee. Under current law, the General Assembly appropriates revenue placed in the funds.
- Amends the composition of both the Agricultural Reserve Committee and the Health Reserve Committee as follows:
  - Under provisions of the bill, the members of the Agricultural Fund Committee would be the State Treasurer, the Secretary of State, the Comptroller of the Treasury, 1 member of the House of Representatives to be appointed by the Speaker of the House to serve a two-year term which coincides with the term of office as a member of the house, 1 member of the senate to be appointed by the speaker of the senate to serve a four year term which coincides with the term of office as a member of the senate, 4 members to be appointed by the governor to serve a four year term.
  - Currently, the Agricultural Fund Committee is composed of 5 members of the House of Representatives appointed by the Speaker of the House and 5 members of the Senate appointed by the Speaker of the Senate. The commissioners of Finance and Administration, Agriculture, Health, and Education serve as non-voting ex-officio members.
  - Under provisions of the bill, the members of the Health Fund Committee would be the State Treasurer, the Secretary of State, the Comptroller of the Treasury, 1 member of the House of Representatives to be appointed by the Speaker of the House to serve a two-year term which coincides with the term of office as a member of the house, 1 member of the senate to be appointed by the speaker of the senate to serve a four year term which coincides with the term of office as a member of the senate, 4 members to be appointed by the governor to serve a four year term.

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- Currently, the Health Fund Committee is composed of 5 members of the House of Representatives appointed by the Speaker of the House and 5 members of the Senate appointed by the Speaker of the Senate. The commissioners of Finance and Administration, Agriculture, Health, and Education serve as non-voting ex-officio members.

## **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - Earmarks approximately \$160,000,000 in FY02-03 and thereafter from the General Fund and shifts 25% of the revenue to the Agricultural Reserve Account and 75% to the Health Reserve Account.**

For information purposes, the legislature appropriated \$160,000,000 in Tobacco Settlement Revenues as recurring revenue in the FY01-02 budget. Shifting tobacco revenues received in FY02-03 and thereafter to the Agricultural Reserve Account and the Health Reserve Account would result in a decrease in state revenues to the General Fund of approximately \$160,000,000 in recurring revenues. The budget document for FY02-03 estimates approximately \$10,000,000 in non-recurring tobacco revenues.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director